PC JEWELLER LIMITED

CIN: L36911DL2005PLC134929
Regd. Office: 24/2708, Bank Street, Karol Bagh, New Delhi – 110 005
Phone: 011-47104810, Fax: 011-28720811
Corp. Office: C-54, Preet Vihar, Vikas Marg, Delhi – 110 092
Phone: 011-49714971, Fax: 011-49714972
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Postal Ballot Notice

Dear Member(s),

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Management and Administration) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) for seeking your consent through Postal Ballot for the following Special Business:

1) Approval and adoption of new set of Articles of Association.
2) Invitation/Acceptance of deposits in the form of advances for the Company's Jewellery Purchase Schemes.
3) Variation of the terms of contracts or objects, as amended, of the Prospectus dated December 16, 2012.

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts and related particulars pertaining to aforesaid Special Business is annexed hereto along with the Postal Ballot Form for your consideration.

The Board of Directors has appointed Shri Randhir Singh Sharma, Proprietor M/s R S Sharma & Associates, Company Secretaries, New Delhi, as Scrutinizer for conducting the entire Postal Ballot voting process in a fair and transparent manner.

The Company is also providing e-voting facility to its Members. E-voting is optional. Please read and follow the instructions on e-voting as enumerated in Notes to this Notice.

Special Business:

Item No.1:

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications or re-enactments thereof for the time being in force), a new set of Articles of Association be and is hereby approved and adopted as the Articles of Association of the Company in total exclusion, substitution and supersession of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT Shri Ramesh Kumar Sharma (DIN: 01980542), Executive Director and Chief Operating Officer and Shri Vijay Panwar, Company Secretary of the Company be and are hereby severally authorized to do all the acts, deeds, matters and things including to sign and execute all necessary documents, applications, forms and writings etc., as may be necessary or expedient for the purpose of giving effect to this resolution."

Item No. 2:

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 73, 76 and other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) and other applicable rules, regulations and statutory provisions for the time being in force and such other approvals, permissions and sanctions, if any, as may be necessary, consent be and is hereby accorded to the Board of Directors ("**Board**") to invite / accept / renew from time to time unsecured / secured deposits in the form of advances for the Company's Jewellery Purchase Schemes, from the Members of the Company and the Public, up to permissible limits.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things, including execution of documents, instruments and writings and also delegation of aforesaid authority, as the Board may in its absolute discretion deem fit, necessary and expedient for the purpose of giving effect to this resolution, without any further reference to the Members of the Company."

Item No.3:

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 27 and other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) and other applicable rules, regulations, guidelines and statutory provisions for the time being in force and such other approvals, permissions and sanctions, if any, as may be necessary, consent be and is hereby accorded to vary the terms of

contracts or objects, as amended, of the Prospectus dated December 16, 2012 ("**Prospectus**"), by further changing locations of the remaining showrooms to be established from the proceeds of Initial Public Offering of equity shares in pursuance of the Prospectus, as explained in the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things, including execution of documents, instruments and writings and also delegation of aforesaid authority, as the Board may in its absolute discretion deem fit, necessary and expedient for the purpose of giving effect to this resolution, without any further reference to the Members of the Company."

By order of the Board of Directors
For **PC Jeweller Limited**

Sd/-
Place: New Delhi (VIJAY PANWAR)
Date: February 6, 2015 **Company Secretary**

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the above mentioned Special Business is annexed hereto.
2. The Notice is being sent to all Members, whose names appear in the Register of Member / List of Beneficial Owners as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL), as on Friday, February 6, 2015. Notice is also available on the website of the Company at www.pcjeweller.com in the Investor section.
3. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on Friday, February 6, 2015.
4. Members who have registered their e-mail IDs for receipt of documents in electronic mode are being sent Notice of Postal Ballot by e-mail and to others by permitted mode along with Postal Ballot Form and self-addressed business reply envelope. Members have option to vote either through e-voting or through Postal Ballot Form.
5. In compliance with the provisions of Section 110 of the Companies Act, 2013 read with The Companies (Management and Administration) Rules, 2014, the Company is offering e-voting facility to its Members through e-voting platform provided by Karvy Computershare Private Limited, enabling them to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional.

PROCEDURE AND INSTRUCTIONS FOR E-VOTING:

A. For Members receiving Notice of Postal Ballot by e-mail:
i) Open your web browser during the voting period and navigate to **https://evoting.karvy.com**.
ii) Enter the login credentials (i.e. User ID & Password) mentioned in your e-mail / Postal Ballot Form. Your Folio No./DP ID Client ID will be your User ID.

User ID	**For Members holding shares in Demat Form:** a) For NSDL: 8 Character DP ID followed by 8 Digits Client ID b) For CDSL: 16 digits beneficiary ID **For Members holding shares in Physical Form:** Event no. (EVEN) followed by Folio Number registered with the company
Password	Your Unique password is mentioned in the e-mail / Postal Ballot Form.
Captcha	Enter the Verification code i.e. the alphabets and numbers in the exact way as they are displayed for security reasons.

iii) After entering these details appropriately, click "LOGIN".
iv) You will now reach Password Change Menu, wherein you are required to mandatorily change your password. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. System will prompt you to change your password and update any contact details like mobile number, email ID etc. on first login. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
v) You need to login again with the new credentials.
vi) If you are already registered with Karvy Computershare Private Limited for e-voting, you can use your existing User-ID and Password for casting your vote.
vii) On successful login, system will prompt you to select the 'EVENT' i.e. '**PC Jeweller Limited'**.
viii) On the voting page, you will see resolution description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares as on the cut-off date (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST' but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the Member does not indicate either 'FOR' or 'AGAINST', it will be treated as 'ABSTAIN' and the shares held will not be counted under either head.
ix) Cast your vote by selecting an appropriate option and click 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm else click 'CANCEL' to change your vote.
x) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
xi) Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
xii) Corporates/Institutional Members (i.e. other than individuals, HUF's, NRI's etc.) are required to send scanned certified true copy (PDF format) of the relevant Board resolution / Authority Letter to the Scrutinizer at the e-mail ID rss.scrutinizer@gmail.com with copy to evoting@karvy.com.

B. For Members receiving Notice of Postal Ballot by Post:

i) Initial Password is provided at the bottom of Postal Ballot Form in the following format:

EVEN (e-Voting Event Number)	User ID	Password / PIN

ii) Please follow all steps as mentioned in (A) above, to cast vote.

6. The e-voting period will commence from February 26, 2015, at 9:00 A.M. and end on March 27, 2015 at 6:00 P.M. The e-voting module shall be disabled by Karvy Computershare Private Limited for voting thereafter.
7. Members who have received Postal Ballot Notice by e-mail and who wish to vote through Postal Ballot Form can download the Postal Ballot Form from the link https://evoting.karvy.com or seek the same from Karvy Computershare Private Limited, Unit: PC Jeweller Limited, Plot No. 17-24, Vittalrao Nagar, Madhapur, Hyderabad – 500 081, and send the duly filled and signed form to the Scrutinizer.
8. Members desiring to exercise vote by Postal Ballot Form are requested to carefully read the instructions printed on the Postal Ballot Form and return the same to the Scrutinizer duly completed and signed in the enclosed self-addressed business reply envelope on or before 6:00 P.M. on March 27, 2015.
9. Members can opt for only one mode of voting i.e. either by Postal Ballot Form or by e-voting. If you are opting for e-voting, then do not vote by Postal Ballot Form also and vice versa. However, if Members cast their vote through Postal Ballot Form as well as by e-voting, then the voting through Postal Ballot Form shall prevail and voting done by e-voting will be treated as invalid.
10. In case a Member has any query or grievances in relation to voting by Postal Ballot including voting by electronic means, he/she may contact Shri Varghese P. A. of Karvy Computershare Private Limited at Phone No. 040-44655000 or can call on Toll Free No. 1-800-34-54-001 or may refer Frequently Asked Questions (FAQs) on e-voting and User Manual for Shareholders available at the download section of https://evoting.karvy.com.
11. The Scrutinizer will submit his report after completion of the scrutiny to the Chairman / Managing Director and the result of the Postal Ballot shall be declared by the Managing Director or the Company Secretary on March 30, 2015 at 5:00 P.M. at the Corporate Office of the Company. The resolutions will be taken as passed effectively on and from the date of announcement of the Postal Ballot result, if the result of Postal Ballot indicates that the requisite majority of Members had assented to the resolutions. The result of Postal Ballot alongwith Scrutinizer's report would be displayed on the website of the Company www.pcjeweller.com.
12. The relevant documents are available for inspection by the Members at the Corporate Office of the Company between 11:00 A.M. to 4:00 P.M. on all working days up to the date of declaration of the result of Postal Ballot.

EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

Item No. 1 :

Various clauses in the existing Articles of Association of the Company consist of reference to the specific sections under the Companies Act, 1956, which necessitate amendment and/or alteration in order to reflect inter–se, various provisions and rules framed under the Companies Act, 2013. In order to bring the Articles of Association of the Company in consonance with the Companies Act, 2013, instead of replacing relevant articles, it is proposed to replace the existing Articles of Association with a new set of Articles of Association.

In terms of Section 14 of the Companies Act, 2013, approval of the Members by way of a Special Resolution is required to alter the existing Articles of Association of the Company. Hence, the Board recommends the resolution for your approval by way of Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution, except to the extent of their respective shareholdings in the Company.

Item No. 2 :

The Company had been successfully operating two jewellery purchase schemes, namely Jewel for Less and Swarn Manjusha (here-in-after collectively referred to as "**Schemes"**) under its brand PC Jeweller, which were facilitating the customers to make advance payments for purchase of jewellery through installments with discount benefit on maturity of Schemes. Under the Companies Act, 1956, these Schemes were not covered under the definition of 'Deposits'. However, under the Companies Act, 2013 ("**Act**") read with The Companies (Acceptance of Deposits) Rules, 2014 ("**Rules**"), the explanation to the definition of 'Deposits' provides that any amount (a) received by the company, whether in the form of installments or otherwise, from a person with promise or offer to give returns, in cash or in kind, on completion of the period specified in the promise or offer, or earlier, accounted for in any manner whatsoever, or (b) any additional contributions, over and above the amount under item (a), made by the company as part of such promise or offer, shall be treated as a deposit. Due to this explanation, the Company's aforesaid jewellery purchase Schemes are deemed to be deposits.

In view of this and as an abundant precaution the Company withdrew the Schemes, discontinued fresh enrollment of new customers therein, stopped receiving further installments under the Schemes from the existing customers and started redeeming/repaying to them. The Company has already redeemed/repaid to more than 95% of the existing customers of the Schemes and expected to wound up the same by March 31, 2015.

The Company is willing to re-launch amended/modified jewellery purchase schemes for the benefit of its customers, to facilitate them to purchase jewellery by making advance payments through installments with discount benefit on maturity of schemes. However, for this the Company needs to comply with the terms and conditions as prescribed under the Act and the Rules. Section 73 and 76 of the Act read with relevant Rules prescribes that a public company having a net worth of not less than Rupees One Hundred Crores or a turnover of not

less than Rupees Five Hundred Crores, subject to the consent of the company in general meeting by means of a special resolution and compliance with other requirements, as prescribed under the Act and the Rules, accept or renew any deposits from its members and the public, subject to the prescribed limits.

The Company being a public company and having requisite net worth/turnover is willing to invite/accept/renew deposits from its Members and the Public, upto permissible limits, under the jewellery purchase schemes, subject to the approval of Members through Special Resolution and compliance with other requirements of the Act and the Rules in this matter. Hence, the Board recommends the resolution for your approval by way of Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution, except to the extent of their respective shareholdings in the Company.

Item No.3:

According to the '**Objects of the Issue**' as mentioned in the Prospectus dated December 16, 2012 ("**Prospectus**"), your Company intended to establish 20 retail showrooms in 20 cities (Ahmedabad, Baroda, Bhubaneswar, Coimbatore, Jabalpur, Nagpur, Sri Ganganagar, Bangalore, Chennai, Guwahati, Hyderabad, Jaipur, Jalandhar, Jammu, Kolkata, Mangalore, Mumbai, Patna, Ranchi & Surat) by fiscal 2014. However, the expected period for establishment of these showrooms was extended up to September 30, 2014 by way of Special Resolution passed in the 8th Annual General Meeting of the Company held on September 18, 2013. Subsequently, the Members of the Company by another Special Resolution passed through Postal Ballot, whose result was declared on September 20, 2014, approved the opening of new showrooms at Bareilly, Mathura, Pune and Varanasi instead of Chennai, Coimbatore, Jalandhar and Mumbai and also further extended the expected period for establishment of remaining showrooms up to September 30, 2015.

The Gross Proceeds of the Issue was ₹601.29 crores. The Net Proceeds of the Issue (i.e. ₹563.29 crores) after excluding Issue related expenses (i.e. ₹38 crores) was to be utilised for financing establishment of new showrooms (i.e. ₹516.85 crores) and General Corporate Purposes (i.e. ₹46.44 crores). The Company has fully utilised amount reserved for General Corporate Purposes. As on date, the Company has opened 16 showrooms (Ahmedabad, Baroda, Jabalpur, Sri Ganganagar, Bangalore, Hyderabad, Mangalore, Ranchi, Guwahati, Jammu, Patna, Kolkata, Mathura, Bareilly, Varanasi and Jaipur). The extent of achievement of proposed objects till date is 80% (in terms of total number of showrooms to be opened). As on December 31, 2014, the total Net Proceeds of the issue already utilised for the Objects of the Issue is ₹409.78 crores and the balance unutilised amount of Net Proceeds amounting to ₹107.07 crores is temporarily invested in mutual funds, towards interim use of funds.

The Company's strategy to enter a particular market or open a showroom at a location depends on various factors including obtaining suitable premises on a lease or leave and license basis at reasonable rentals for such showrooms. Though, the Company is in the process of identifying and finalising specific locations for opening the remaining 4 showrooms at Bhubaneswar, Nagpur, Pune and Surat, out of the funds earmarked for establishment of new showrooms as per the Objects of the Issue, but till date unable to find suitable premises at reasonable rentals for such showrooms. Hence, in view of the same the Company proposes to open the remaining 4 showrooms at Durgapur, Bhagalpur, Siliguri and Yamuna Nagar instead of Bhubaneswar, Nagpur, Pune and Surat. Based on the market analysis and other factors, the management is also of the view that this would be more profitable and in the interest of both i.e. the Company as well as its Members and will also enable the Company to achieve the time line of September 30, 2015. The Company already shortlisted suitable premises for opening of showrooms at Durgapur, Bhagalpur, Siliguri and Yamuna Nagar. Further, the Company do not see any risk due to change of locations as aforesaid.

In terms of Section 27 of the Companies Act, 2013 read with The Companies (Prospectus and Allotment of Securities) Rules, 2014, the Company shall not vary the terms or objects referred to in the Prospectus, except subject to the approval of, or except subject to an authority given by the Company by way of special resolution through Postal Ballot. Accordingly, approval of the Members is sought for varying the terms or objects of the Prospectus i.e. for change of locations of remaining 4 showrooms, as mentioned in the preceding paras. Hence, the Board recommends the resolution for your approval by way of Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution, except to the extent of their respective shareholdings in the Company.

By order of the Board of Directors
For **PC Jeweller Limited**

Sd/-
(VIJAY PANWAR)
Company Secretary

Place: New Delhi
Date: February 6, 2015